

## REMARKS

Applicant thanks Examiner Firmin Backer for the telephone interview conducted with Applicant's counsel on February 20, 2003. During the interview, Applicant's counsel discussed a draft amendment submitted to Examiner Backer on January 30, 2003. It was believed that the proposed amendments in the draft would present new issues for the Examiner and therefore would not be entered. As a result of the interview, Applicant is filing a Request for Continued Examination ("RCE") application accompanied by this Preliminary Amendment. In addition, Applicant is submitting arguments below regarding the Examiner's rejections in the Final Office Action.

The December 3, 2002 Office Action finally rejected all claims pending in the application, namely claims 1-39. This Amendment and Response amends claims 1, 7, 15, 23 and 33. After entry of the amendment, claims 1-39 remain pending including 5 independent claims and 39 claims total.

Support for the various amendments may be found in the originally filed specification, claims, and figures. No new matter is being introduced. Reconsideration of this application is respectfully requested.

### Claim Rejections

#### 35 USC §103

All claims pending, namely claims 1-39, stand rejected under 35 U.S.C 103(a) as being unpatentable over Noblett, Jr. et al., U.S. Patent No. 5,432,326, issued July 11, 1995 ("Noblett") in view of Collins et al., U.S. Patent App. Pub. No. US 2002/0007362 A1, published on January 17, 2002 ("Collins"). Applicant respectfully traverses these rejections and provides the following arguments in support.

#### Noblett Reference

Noblett discloses a specific system for operating a data card terminal for providing chargeback protection services for the benefit of the merchant. In particular, Noblett discloses a custom data card transaction terminal having a signature capturing printer. The Noblett custom data card transaction terminal does not include similar components or functions as an internet access terminal. Merchants using the custom

terminal with the signature capturing printer are guaranteed that the transaction is chargeback-protected. (Noblett Abstract; Summary of the Invention (see e.g., col. 14)) In other words, Noblett discloses a pre-transactional system that when used by a merchant to carry-out a data card transaction (i.e., using the custom terminal and capturing the purchaser's signature during the time of purchase), the merchant is guaranteed that the transaction will not be charged-back to them. In operation, a merchant using the custom terminal and signature capturing printer obtains the customer's signature at the time of the purchase. The signature as well as other transaction data (e.g., including compressed signature signals and signals indicative of the presence of the card; (Noblett Abstract)) are stored in a data storage facility and may be retrieved for future reference or evidence of a transaction. (Noblett column 22, lines 7-9; Figure 2 (data storage #64)) In addition to the data storage facility, the custom transaction terminal stores all the transaction data, except the signature.

The Noblett reference teaches away from the presently claimed invention. The system disclosed in Noblett does not include any hardware or software to handle post-transactional disputes because, in the Noblett system, post-transactional disputes such as chargebacks are prevented and guaranteed against. In addition, Noblett does not disclose negotiating an agreement to resolve a dispute or prevent a dispute because (1) there are NO post-transactional disputes in Noblett since using the custom data card terminal *guarantees* the merchant will not be involved in a post-transactional dispute, therefore there is no need to negotiate an agreement to resolve a dispute; and (2) the Noblett system discloses using a custom *data card terminal*, i.e., a specific device to read the user's data card, to prevent disputes, not an agreement negotiating system. There is no mention of negotiating agreements at *any* time during the transaction because that is simply NOT analogous to the objects of invention. Noblett sets forth (using a custom data card terminal to guarantee against merchant chargebacks).

#### **Collins Reference**

Collins discloses a specific system for facilitating an agreement pertaining to a situation over a network. "Situation" as used in Collins refers to "a dispute" or "the negotiation of an agreement." (Collins paragraph 37) . In operation, the parties in a dispute engage in a negotiation session to resolve the situation. For example, party A

initiates a negotiation session by connecting to the central server 120 and describing the nature of the situation, including the identity of party B. Party B is then contacted by the central server 120 and asked to engage in the negotiation. Both parties then enter information defining the situation and provide their desired resolutions. *"Based on the data provided, the server generates a zone of possible agreements (ZOPA) 130; and the data is rendered as a set of components in a template."* (Collins paragraph 42) The template includes components showing possible resolutions to the positions of the parties. The central server generates these components by accessing a database 140 which contains statistical information concerning acceptable resolutions previously agreed to by other parties involved in similar situations. Each party then responds back to the server 120 by providing additional data and *based on this data, the server creates a new ZOPA template*. "After an iterative process [as just described], a resolution is reached or a negotiation log is finalized for presentation to a mediator." (Collins paragraph 42) The ZOPA for an individual issue serves as the guideline for resolution of that issue and results in a tentative agreement contingent on the whole (TACOW). The TACOWs are refined and combined into a total agreement or binding agreement which may further include generation of a written contract which each party can print. (Collins paragraphs 46 and 52)

**With respect to claim 1**, the Examiner states that Noblett discloses each element as recited in the claim except "Noblett fails to teach an inventive concept for facilitating the handling of a post-transactional dispute" and cites Collins to fill in this deficiency. Furthermore, the Examiner states that it would have been obvious to modify the Noblett disclosure (a custom data card terminal used to guarantee against merchant chargebacks to include the Collins disclosure (a system for negotiating and creating a resolution agreement) because "statistical data pertaining to previous resolutions may be useful in aiding resolution of present and future situations." The Applicant respectfully disagrees with the Examiner.

To establish a *prima facie* case of obviousness under §103, the Examiner must meet three basic criteria. First, there must be some suggestion or motivation to modify the reference [if a single reference] or combine reference teachings. Second, there

must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. *MPEP 2143*

**1. There is no suggestion or motivation to combine the Noblett and Collins teachings.**

**A. Fact that references can be combined or modified is not sufficient to establish *prima facie* obviousness. *MPEP 2143.01***

"The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination." *MPEP 2143.01 citing In re Mills, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990).*

Applicant submits that neither the cited references, alone or in combination, suggest the desirability of the combination of the Noblett and Collins references (i.e., a custom data card terminal used in a pre-transactional system to guarantee against merchant chargeback in combination with a system for negotiating and creating a resolution agreement). As previously mentioned, Noblett fails to suggest a negotiating system for generating a resolution agreement because (1) there is no need to resolve a post-transactional dispute since they are prevented; and (2) Noblett is not a negotiating system but rather is a specific device used to prevent disputes. Noblett only discloses improving upon *facilitating data card transactions* which normally do not include negotiating, generating and mediating an agreement.

**B. The proposed modification cannot render the prior art unsatisfactory for its intended purpose. *MPEP 2143.01***

"If the proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *MPEP 2143.01 citing In re Gordon, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984).*

Applicant submits that if the proposed modification to the Noblett system were made as suggested by the Examiner (addition of a system for negotiating and creating a resolution agreement), the Noblett custom data card terminal would be rendered unsatisfactory. Simply put, *if* Noblett were to include the negotiating system as disclosed in Collins, each data card transaction would require an iterative process of

negotiating between the parties. This process would increase the time needed to make a simple data card transaction far beyond what consumers or merchants would allow. *Moreover, the Noblett system does not include any functionality to resolve post-transactional disputes, so to combine Collins's negotiation system with Noblett would literally destroy the intended functionality of Noblett because the Noblett system, including its hardware and software, is not in any way set up to receive, review or analyze negotiation information.*

**2. There is no reasonable expectation of success when combining the Noblett and Collins references.**

**Obviousness requires a reasonable expectation of success. MPEP 2143.02**

"The prior art can be modified or combined to reject claims as *prima facie* obvious as long as there is a reasonable expectation of success. MPEP 2143.02 citing *In re Merck & Co., Inc.* 800 F.2d 1091, USPQ 375 (Fed. Cir. 1986).

Applicant submits that there is no reasonable expectation of success in combining a system for guaranteeing against chargebacks by using a custom data card terminal and a system for facilitating an agreement through a negotiation iterative process. The Examiner states that providing statistical data pertaining to previous resolutions would be useful in aiding in the resolution of present and future situations. While this statement may generally be correct, it certainly does not apply to the case at hand. Noblett is not concerned with statistical data of previous resolutions because *Noblett does not teach finding a resolution to a dispute*, whether it is in the past, present or future. Noblett's entire system is designed to *prevent disputes from ever happening* by using a custom data card terminal having a signature capturing device at the time of the transaction.

**3. All the claimed limitations are not taught or suggested by Noblett either alone or in combination with Collins.**

"To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art." MPEP 2143.03 citing *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974).

Applicant submits that even if the combination of Noblett and Collins were made as suggested by the Examiner, Applicant's claimed invention would not result. In

particular, Applicant's independent claim 1 recites "a plurality of pre-existing dispute handling forms having pre-defined content, said forms retrieved from said server." The Examiner cites Noblett's Figure 2 as supporting this limitation. Applicant respectfully disagrees with the Examiner. Neither Noblett's Figure 2, nor the description thereof, teach, suggest or disclose *a website, and a server having dispute handling forms retrieved therefrom* as recited in Applicant's claim 1. As previously pointed out above, Noblett discloses a single data storage 64 on Figure 2 (this is the only data storage disclosed in the reference) for storing the signature, compressed signature signals, and signals indicative of the presence of the card for future retrieval as evidence of a transaction. (Noblett Abstract; Noblett column 22, lines 7-9; Figure 2 (data storage #64)) Noblett fails to disclose a "website" and "dispute handling forms." There are NO forms whatsoever in the Noblett system because Noblett discloses a *data card terminal* and not a dispute resolution system.

Moreover, Collins fails to teach, suggest or disclose *pre-existing dispute handling forms having pre-defined content* as recited in Applicant's claim 1. As previously pointed out, Collins discloses a negotiation process where each party is given an opportunity to define the situation (i.e., charge card dispute) and provide their desired resolutions (i.e., refund of charge). Based on the data provided, the server *generates or creates* a ZOPA which will be used as a guideline for resolving the issue. The parties are given the opportunity to provide additional data which the server users to *generate or create* a new ZOPA and so on until resolution of the issue is reached. The ZOPA eventually results in a TACOW or total agreement. In short, Collins is a negotiation tool for parties which results in the server reviewing past statistical data of similar situations and *creating an agreement* by suggesting resolutions which have worked in the past. Collins does not include a "plurality of *pre-existing* dispute handling forms having *pre-defined content*" because each individual negotiation session results in a uniquely defined agreement. In other words, it is unlikely that any two agreements would or could be the same because as Collins discloses, each step of the process presents the parties with a *newly created* ZOPA. The agreements in Collins ARE NOT available for immediate retrieval, but rather are *created by the server based upon the information entered and approved by the parties*. The server provides the parties with individual

ZOPA components which statistically have proven to be successful in the past for similar situations and then permits the parties to accept, decline, change the wording or otherwise modify the components. Thus, the final agreement is a mesh of individually created ZOPA components and NOT a pre-existing dispute handling form having pre-defined content.

**With respect to dependent claims 2-6,** Applicant submits that all of the elements of the underlying independent claim 1 are not present in the cited references either alone or in combination, and therefore are not present in claims 2-6. Accordingly, Applicant respectfully requests the withdrawal of the Section 103 rejection with respect to claims 1-6.

**With respect to claims 7-14 and 38,** Applicant's independent claim 7 further recites "accessing an Internet web site...said web site linked to a server comprising a plurality of pre-existing dispute handling forms thereon, said forms having pre-defined content; choosing one of said...pre-existing dispute handling forms; and responding to the pre-existing content on said form." The Examiner cites Noblett's Figures 10 and 15, as well as column 4 lines 24-55 for supporting these limitations. Applicant respectfully disagrees with the Examiner. The cited Noblett Figures show *an embossed card reader for the data card terminal and a flow chart for recognizing the embossed characters on the data card* and fail to mention anything pertaining to the above limitations from Applicant's claim 7. The cited passage from Noblett's column 4 is from the "Background of the Invention" and generally describes "chargebacks" and "disputes regarding transaction procedures" and not the above limitations. Applicant submits that the cited Noblett Figures and passages, as well as the remaining Noblett disclosure, fail to teach each and every element of Applicant's claim 7. Moreover, as previously argued, Collins fails to disclose "pre-existing dispute handling forms having pre-defined content" as recited in claim 7. Accordingly, Applicant respectfully requests the withdrawal of the Section 103 rejection with respect to claim 7 and claims 8-14 and 38 which depend from claim 7.

**With respect to claims 15-22,** during a July 30, 2002 telephone interview with the Examiner, he agreed that claim 15 appears to include allowable subject matter. Thus, Applicant was somewhat puzzled to see a final rejection issued on claim 15. For

similar reasons as just stated above, Applicant submits that the cited references neither alone or in combination teach each and every element of Applicant's claim 15. In particular, Noblett and Collins fail to teach "a set of pre-existing dispute handling forms having pre-defined content." Accordingly, Applicant respectfully requests the withdrawal of the Section 103 rejection with respect to claim 15 and claims 16-22 which depend from claim 15.

**With respect to claims 23-37 and 39,** the Examiner did not provide specific points of rejection, but rather stated that these claims are rejected by the same rationale as claims 1-15. Applicant respectfully submits that Noblett and Collins either alone or in combination fail to teach each and every element of independent claims 23 and 33, and in particular, the references fail to disclose "an Internet routing system for post-transactional dispute forms...a set of pre-existing dispute handling forms having pre-defined content," as well as the steps further recited in claim 23. In addition, the references fail to disclose "An Internet-based processing system for gathering and routing data for facilitating handling of a post-transactional credit dispute...a plurality of pre-existing data entry fields with respect to said dispute," as well as the remaining elements recited in claim 33. Accordingly, Applicant respectfully requests the withdrawal of the Section 103 rejection with respect to claim 23-37 and 39.



**CONCLUSION**

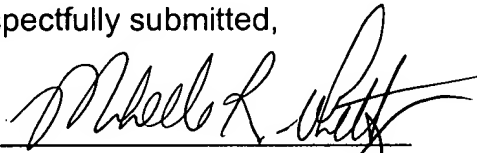
In view of the foregoing, Applicant respectfully submits that all of the pending claims, namely 1-39, fully comply with 35 U.S.C §112 and are allowable over the art of record. Reconsideration of the application is respectfully requested. Should the Examiner wish to discuss any of the above in greater detail or deem that further amendments should be made to improve the form of the claims, then the Examiner is invited to contact the undersigned at the Examiner's convenience.

Date: \_\_\_\_\_

3-3-03

Respectfully submitted,

By: \_\_\_\_\_



Michelle R. Whittington

Reg. No. 43,844

**SNELL & WILMER, L.L.P.**

400 East Van Buren

Phoenix, AZ 85004-2202

Direct: (602) 382-6275

Email: [mwhittington@swlaw.com](mailto:mwhittington@swlaw.com)